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April 23, 2008

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VIA FACSIMILE AND REGULAR MAIL

Honorable Charles L. Brieant
Judge, United States District Court
Southern District of New York
300 Quarropas Street
White Plains, New York 10601-4150
Attn: Mrs. Alice Cama, Deputy

*Application filed -
So Ordered
April 28, 2008*

MSJ

Re: In Re: Douglas E. Palermo ***
David R. Kittay, Trustee v. Brian Farley, et al.,
Civil Case No. 08 CV 1257 (CLB)

Dear Mrs. Cama:

I represent the defendants in the above matter. As you may recall, we have pending in your Court a Motion To Withdraw The Reference and To Transfer Venue that was filed in this case on February 7, 2008 (the "**Motion**"). No hearing has been set for the Motion because the parties had been in settlement talks.

I write you for two reasons:

1. First, as per our conversation last month, you had requested that I send you a report on the status of the settlement negotiations by May 2, 2008. Thus, I am writing to you to report that the parties have finally reached a settlement (the "**Settlement**") and that on April 22, 2008, the plaintiff filed a motion in the underlying adversary proceeding in the Bankruptcy Court (SDNY) (adv. no. 08-8203) (the "**Bankruptcy Court**") requesting that it approve of the Settlement (see dkt. no. 10) (the "**Settlement Motion**"). The Settlement Motion is set for hearing on May 16, 2008 in the Bankruptcy Court.
2. Secondly, in light of the pending Settlement Motion and the related hearing on May 16th, I would request that we adjourn the May 2nd status report deadline in this lawsuit until June 10th. The Settlement will only become final if the Bankruptcy Court approves of the Settlement on May

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Attn: Mrs. Alice Cama, Deputy
February 8, 2008
Page 2

16th and thereafter, that approval Order becomes final and nonappealable if noone appeals that Order within ten (10) days after it is docketed. Thus, hopefully we will know the status of the Settlement by June 10th and by that date I will either report to you on the status of things, or I will file a notice of withdrawal of the pending Motion with your Court if the Settlement has become final.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Brad A. Berish

BAB/db

cc: Jonathan Bardavid, Esq., counsel for plaintiff (via e-mail)